



July 14, 2015


The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 July 14, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**WAIVE ACCUMULATED SLIP FEES FOR NONPROFIT ORGANIZATIONS
AND AUTHORIZE THE DIRECTOR OF BEACHES AND HARBORS TO
ADJUST FEES DURING CONSTRUCTION OF THE ANCHORAGE 47
DOCK REPLACEMENT PROJECT
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

Waive accumulated slip fees for nonprofit organizations with vessels previously housed at Anchorage 47 at reduced or no cost and authorize the Director of the Department of Beaches and Harbors to adjust fees during the construction of the Anchorage 47 Dock Replacement Project.

IT IS RECOMMENDED THAT THE BOARD:

Waive accumulated slip fees for nonprofit organizations with vessels previously housed at Anchorage 47 at reduced or no cost and authorize the Director of the Department of Beaches and Harbors to adjust fees during construction of the Anchorage 47 Dock Replacement Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 2008, the County of Los Angeles Department of Beaches and Harbors (Department) assumed responsibility for the operation and management of Anchorage 47 in Marina del Rey when the then-lessee terminated its lease with the County. On July 8, 2014, your Board approved plans and specifications for the Anchorage 47 Dock Replacement Project (Project), which construction commenced as of January 2015 starting with the landside facilities (i.e., boater restroom and

promenade). Actual replacement of the docks is scheduled to commence in August 2015.

Over the course of operating the Marina for the past seven years, the Department encountered a number of challenges related to the eroding condition of the docks, including a loss of water and electrical service at certain slips. As a result, starting last year, a Department employee (although without authority to do so) allowed certain nonprofit organizations to keep their vessels at slips at either a reduced fee or without cost. These organizations included the Santa Monica Windjammers and Fairwinds Yacht Clubs, the Kurmalliance Foundation (whose activities include improving marine ecosystems for sea turtles and their cohabitants), and Challenges Foundation (whose activities include introducing sailing to Veterans, adults and children who face life and/or physical challenges). In addition, when the Sea Scouts' docks at the nearby Chace Park anchorage were demolished and replaced in 2014, a number of the organization's vessels were temporarily relocated to Anchorage 47. In this instance, too, the same employee neglected to execute or ensure execution of a tenant permit or secure payment for Sea Scouts' use of the Anchorage 47 slips.

The Department has reviewed options for how to resolve these accumulated uncollected fees, totaling approximately \$106,000. Because of the overall poor condition of the anchorage and the upcoming reconstruction program, we were keeping empty slips vacant and not making them available to tenants. Additionally, the organizations had a good-faith belief that the employee had authority to allow them to occupy the docks at reduced or no cost. Finally, it would place an undue burden on these nonprofit organizations to pay the outstanding accumulated fees. Therefore, the Department recommends that the slip fees otherwise owed should be waived under these circumstances by the Board. The Department is presently collecting and will ensure collection of appropriate slip fees from all existing tenants going forward.

In addition, the Department requests authority for the Director to adjust slip fees in and near Anchorage 47 during the current construction project. The Department is not able to accommodate all existing tenants at the anchorage during construction and must move some to the nearby Chace Park transient docks; however, charging these tenants the transient dock fees would be prohibitive. Additionally, we hope to continue charging the same rates tenants are currently paying rather than adjusting them upward on July 1 as we typically do annually pursuant to a Board-approved formula. Finally, we may find that we need to adjust fees lower once construction commences. Allowing the Department to adjust fees as appropriate during construction will help minimize the loss of tenants during the renovation process, which will take place in phases and will require vessels in Anchorage 47 to relocate one or more times during construction.

Implementation of Strategic Plan Goals

This recommendation furthers the County's Strategic Plan Goal 2, Community Support and Responsiveness, by responding to the detrimental financial impact that would otherwise burden the affected nonprofit organizations and recognizing both the operational challenges of maintaining slip tenancy and the disruption to tenants during an anchorage replacement project.

FISCAL IMPACT/FINANCING

Waiving and adjusting the slip fees will have a minimal impact on the Department's budget and avoid any potential negative financial impact on the affected charitable organizations' operations and programming.

Operating Budget Impact

There is no detrimental impact on the Department's Fiscal Year 2014-15 Adjusted Budget from waiver of accumulated slip fees, given an anticipated year-end surplus of \$16.6 million. Additionally, reduction of slip fees during construction is an effort to mitigate the otherwise larger impact of revenue loss from slip tenants vacating the anchorage completely due to construction disruption.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel has opined that Board of Supervisors' approval is required to waive the accumulated fees and to allow the Director to adjust Board-approved Anchorage 47 slip fees from the levels previously approved by the Board.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Adjusting slip fees during construction will help minimize the loss of tenants, as well as prevent any deleterious holdover in docks slated for replacement, which would result in higher construction costs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. Jones', with a stylized, cursive flourish at the end.

GARY JONES

Director

GJ:ks

c: Interim Chief Executive Officer
Interim County Counsel
Acting Executive Officer, Board of Supervisors